

## Message Text

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FM SECSTATE WASHDC  
TO AMEMBASSY CAIRO

UNCLAS STATE 151944

FOR MR. BENNET, WITH SIMON PARTY

FOLLOWING TELEGRAM FROM CARACAS DATED JULY 11, 1974 SENT  
SECSTATE WASHDC INFO ABU DHABI, BEIRUT, JAKARTA, JIDDA,  
KUWAIT, LAGOS, LIMA, LONDON, PORT OF SPAIN, QUITO, TEHRAN,  
TRIPOLI, VIENNA, DHAHRAN, OECD PARIS IS REPEATED TO  
YOU: QUOTE

UNCLAS CARACAS 6378

E.O. 11652: N/A  
TAGS: ENRG, VE  
SUBJECT: INFORMAL TRANSLATION OF VENEZUELAN STATEMENT ON  
BENNET TESTIMONY

REF: CARACAS 6373

1. FOLLOWING IS INFORMAL TRANSLATION OF STATEMENT MADE  
BY VENEZUELAN MINISTER OF MINES AND HYDROCARBONS IN  
REACTION TO BENNETT'S TESTIMONY.

2. (QUOTE) IN A RESOLUTION ISSUED JOINTLY BY THE TREASURY  
AND THE MINES AND PETROLEUM MINISTRIES ON 28 JUNE, THE NA-  
TIONAL GOVERNMENT DECIDED TO ADJUST THE EXPORT PRICE  
OF LIGHT CRUDES. THIS DECISION--WHICH WAS REPORTED IN DUE  
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TIME TO THE OTHER MEMBERS OF THE ORGANIZATION OF OIL

EXPORTING COUNTRIES (OPEC) DURING THE RECENT OPEC CONFERENCE IN QUITO-- WAS MADE BY THE NATIONAL GOVERNMENT AFTER CONDUCTING AND EXHAUSTIVE ANALYSIS OF INTERNATIONAL MARKET CONDITIONS. THE POLITICAL BASIS OF THIS MEASURE, IS, OF COURSE, THE FULL AND IRREVOCABLE EXERCISE OF NATIONAL SOVEREIGNTY, WHICH IS BEST REFLECTED BY SAFEGUARDING VENEZUELA'S HIGHEST INTERESTS.

3. OVER THE PAST FEW MONTHS THE MINES AND PETRLEUM MINISTER HAS INSTRUCTED THE OIL CONCESSIONAIRES AND THE VENEZUELAN PETROLEUM ENTERPRISE (CVP) TO CUT BACK THEIR RESPECTIVE PRODUCTION VOLUMES. THESE MEASURES-- WHICH TO DATE HAVE RESULTED IN A REDUCTION OF APPROXIMATELY 200,000 BARRELS A DAY-- WERE ADOPTED ON THE BASIS OF TECHNICAL CONSERVATION CRITERIA, WHICH CONSTITUTE ONE OF THE BASIC PRINCIPLES OF VENEZUELA'S OIL POLICY.

4. TODAY, 10 JULY 1974, THE NATIONAL PRESS PUBLISHED DISPATCHES FROM WASHINGTON TO THE EFFECT THAT U.S. TREASURY DEPUTY UNDER-SECRETARY JACK F. BENNET HAD STATED: "IN MY OPINION, ANY FURTHER CUTBACKS IN OIL PRODUCTION BY ANY GOVERNMENT AT THIS TIME WOULD BE CLEARLY REGARDED BY THE UNITED STATES AND ANY OTHER CONSUMING NATION AS A COUNTER-PRODUCTIVE MEASURE. THERE ARE THOSE IN THE PRODUCING COUNTRIES WHO ARE URGING THEIR GOVERNMENTS TO MAKE A NEW, SHARP CUTBACK IN PRODUCTION TO TRY TO MAINTAIN TODAY'S HIGH PRICES OR EVEN TO TRY TO INCREASE THEM AGAIN"

5. ALTHOUGH THE OFFICIAL TEXT OF THE STATEMENTS PRESUMABLY MADE BY MR. BENNET IS NOT AVAILABLE, WE FEEL IT IS OPPORTUNE TO REITERATE THAT IN FIXING OIL EXPORT PRICES AND ESTABLISHING ITS PRODUCTION PROGRAMS AND VOLUMES VENEZUELA IS GUIDED SOLELY BY NATIONAL INTERESTS AND RELIES FIRMLY ON A REAL EXERCISE OF VENEZUELAN STATE SOVEREIGNTY WHICH, AS FAR AS THE PROTECTION OF NATURAL NONRENEWABLE RESOURCES IS CONCERNED, HAS BEEN REAFFIRMED ON SEVERAL OCCASIONS BY THE MAIN U.S. BODIES. HOWEVER, THIS FACT HAS NOT KEPT VENEZUELA FROM FULFILLING OR BEING WILLING TO FULFILL ITS INTERNATIONAL COMMITMENTS.

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6. HIS EXCELLENCY THE PRESIDENT OF THE REPUBLIC CARLOS ANDRES PEREZ HAS BEEN CLEAR IN THIS RESPECT. IN FACT, ON 16 MAY 1974, WHEN HE TOOK THE OATH OF OFFICE OF THE REVERSION COMMITTEE, HE STATED: "WE ARE ASSUMING THE RESPONSIBILITY FOR MANAGING OUR OIL FOR THE BENEFIT OF VENEZUELA AND THE INTERNATIONAL COMMUNITY WITHOUT OVERLOOKING THE OBLIGATIONS THAT HAVE BEEN UNDERTAKEN FOR THE TRADITIONAL

BENEFITS OF ITS PRODUCTS. SUCH DUTIES ARE COMPATIBLE WITH THE EXERCISE OF OUR SOVEREIGNTY WHICH WE CANNOT SHARE' HE FURTHER STATED THAT: 'TO THE COUNTRIES WHICH RECEIVE OUR PETROLEUM, I CAN ASSURE YOU IN THE NAME OF THE NATION, THAT WE WILL NOT TRAMPLE ON ANYONE ELSE'S LEGITIMATE RIGHTS OR FAIL TO FULLFILL THE OBLIGATIONS THE COUNTRY HAS FREELY UNDERTAKEN IN ACCORDANCE WITH VENEZUELAN CONSTITUTIONAL NORMS'

7. CONSEQUENTLY, PURSUANT TO THE CRITERION AND INSTRUCTIONS OF HIS EXCELLENCY THE PRESIDENT OF THE REPUBLIC, THE AFORE- MENTIONED MEASURES WILL BE MAINTAINED IN EFFECT AS LONG AS THIS SUITS NATIONAL INTERESTS. END QUOTE.

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, PRICE TRENDS, US CONGRESSIONAL PRESENTATIONS, FOREIGN POLICY POSITION  
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**Copy:** SINGLE  
**Draft Date:** 13 JUL 1974  
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**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
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